



Tips for Success

Using a Food Service Management Company

Sponsors in the Summer Food Service Program (SFSP) have several ways to obtain meals for the Program. Sponsors may prepare their own meals; obtain meals from a non-commercial food service management company (FSMC), such as a school; or purchase meals from a commercial FSMC. Regardless of the method used, high quality, nutritious meals, priced within the sponsor's available funds, are essential to operating a successful SFSP. Sponsors using an FSMC must do three things:

- Decide on the scope of services;
- Conduct a competitive procurement; and
- Monitor contractor performance.

Scope of Services Needed from the FSMC

The key question to ask before creating your bid specifications is "what do I need to run the SFSP's food service?" This involves assessing what goods or services you or a partnering organization can provide and what you will need to purchase from the FSMC. This involves knowing the geographic area(s) you plan to serve, and the meal delivery obstacles the sites' locations may pose.

This also involves deciding the type of meals you can serve. For example, if you sponsor all outdoor sites, you may be limited to serving cold meals in a "bag lunch" form. However, if some of your sites have indoor seating and/or food service equipment, you may be able to serve hot meals and/or meals that can be quickly reheated at those sites. Until you make these basic decisions, you cannot write comprehensive bid specifications.

Conducting a Competitive Procurement

Once the scope of services has been defined, sponsors must meet minimum procurement standards, which are designed to ensure maximum open and free competition and provide basic contractual protections for both the sponsor and the FSMC. If you choose to obtain meals from a FSMC, one of the most important services your State agency can provide assistance with the procurement process. Based on the dollar value of the contract and the type of services you need, the State agency can tell you what type of procurement procedures are required by the SFSP and what, if any, additional State or local purchasing rules must be followed.

Factors to Consider in Determining the Scope of Services

What do I need?

- ◆ Meal preparation
- ◆ Meal delivery to a central location
- ◆ Meal delivery to each site
- ◆ Meal service at the site
- ◆ Site cleanup after the meal

What types of meals will I serve?

- ◆ Hot meals
- ◆ Cold Meals
- ◆ A mix of hot and cold meals
- ◆ Meals utilized with milk
- ◆ Meals utilized without milk

- **Preparing a Bid Package**

The State agency will help you (or refer you to other State or local government sources that can help you) write a complete bid package, solicit bids, and award your contract. A well-written bid package will identify the responsibilities of both parties, what constitutes nonperformance by the FSMC, and how nonperformance will be dealt with. Such provisions protect the sponsor's interests and ensure the FSMC is fully aware of its responsibilities, as well as the remedies that will be available to the sponsor for nonperformance.

- **Bid Specifications and the "Low Bid"**

A common complaint among SFSP sponsors is the requirement to use a competitive bid process and to award the contract for meal service to "the lowest responsive and responsible bidder". Some sponsors believe that this requirement forces them to contract with commercial vendors who offer poor meals at a low price. This is not true.

It is the responsibility of the sponsor to spell out, clearly and in detail, the quality of food which the bidder is required to use when calculating his bid price. The State agency can explain food quality grading systems, or they can refer you to local officials (for example, school food service directors) who are familiar with preparing bids for food service.

Contract Monitoring and Successful Contractor Performance

Finally, no matter how well a contract is written, a successful vended SFSP depends upon the sponsor monitoring FSMC performance and taking prompt action when problems arise, while still maintaining a positive working relationship with the FSMC. The sponsor must monitor FSMC performance on a daily basis.

For more ideas on how you can operate the Summer Food Service Program in rural areas please visit our SFSP Training Videos webpage where you can view webcasts and videos on how you can become a SFSP site, sponsor, or advocate or to enhance your existing activities.

www.fns.usda.gov/outreach/webinars/summer.htm

"Nonperformance" by an FSMC is any failure to follow the terms of the contract, whether related to the quality of food provided, the number of meals delivered, the time of meal delivery, or other contract provisions.

When nonperformance occurs, the sponsor must immediately notify the FSMC of the problem and try to arrive at a mutually acceptable solution to the problem. To protect your rights, this notification should always be made in writing, even when the FSMC has been contacted in person or by telephone, and should explicitly state what the FSMC must do to correct the problem. If prior personal contact has been made, include the name and title of the FSMC representative and any commitments or assurances made by that individual. Sponsors should continue to promptly follow up in writing, either when the FSMC fails to correct nonperformance or if additional incidents of nonperformance arise.

Continued Problems

Despite a sponsor's best efforts, some FSMCs do not correct deficiencies to the sponsor's satisfaction. If this occurs, the State should be provided with copies of all notices sent to the FSMC. This will provide the State with documentation that can be used to determine if the FSMC is eligible for future SFSP contracts.

In addition, this documentation should be used by the sponsor in determining whether the FSMC contract should be terminated and whether the FSMC meets the standards for a "responsible bidder" for any future contract awards. Before terminating a contract, consult with your State agency to discuss alternative means of providing meal service to the children at your SFSP site.

